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William C. Schrot Liniak, Berenato & White, LLC Suite 240 6550 Rock Spring Drive Bethesda, MD 20817				
EXAMINER				
POND, ROBERT M				
ART UNIT		PAPER NUMBER		
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

10/663,912

Applicant(s)

HEAD, STEPHANY JEAN

Examiner

Robert M. Pond

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 November 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-6, 8, 10-14, 16 and 17 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-6, 8, 10-14, 16 and 17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB06)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Response to Amendment

The Applicant amended claims 1 and 8 and added claims 16 and 17. Claims 7, 9 and 15 are canceled. All pending claims 1-6, 8, 10-14, 16 and 17 were examined in this final office action necessitated by amendment.

Response to Arguments

Claims 1-6, 8 and 10-14 under 35 USC 112 1st Paragraph

Applicant's arguments, see Remarks and Declaration under Rule 132, filed 12 November 2009, with respect to rejections under 35 USC 112 1st Paragraph, have been fully considered and are persuasive. The rejection of claims 1-6, 8 and 10-14 under 35 USC 112 1st enablement has been withdrawn.

Claims 1-6, 8 and 10-14 under 35 USC 112 2nd Paragraph

Applicant's arguments, see Remarks, filed 12 November 2009, with respect to rejections under 35 USC 112 2nd Paragraph, have been fully considered and are persuasive. The rejection of claims 1-6, 8 and 10-14 under 35 USC 112 2nd has been withdrawn.

Claims 1-6, 8, 10-14, 16 and 17 directed to Non-Statutory Subject Matter:

Applicant's arguments filed 12 November 2009 have been fully considered but they are not persuasive for the reasons stated below.

The claimed invention fails to pass the machine-or-transformation test. In light of *In re Bilski*, method claims must meet a specialized, limited meaning to qualify as a patent-eligible process claim. The present method claims are unpatentable as directed to nonstatutory subject matter under 35 U.S.C. §101 since Applicant's claimed invention i) relies on a mere field of use of computing technology as disclosed by the specification and ii) relies on insignificant extra-solution activity such as data gathering or outputting by a machine. Please note that insignificant extra solution activity will not transform an unpatentable principle into a patentable process. Correction is required.

Mere Field of Use

Decision-makers

The Instant specification is written from the perspective of decision-makers as individual or persons.:

- Background [0003]: The buying-organization typically uses a multi-person decision process, referred to herein as the decision-makers, or by impacting one or both of the decision phases.
- Summary [0006]: Vendors have long recognized the importance of influencing the final award decision after submitting their responses to a particular contract either by influencing the decision-makers, or by impacting one or both of the decision phases.

- Detail [0021]: Cancellation effect is when the decision-makers discard components or products shared by multiple vendors competing for the same contract.
- Detail [0022]: Combination effect means reducing the complexity in selecting a vendor for award. The decision-makers combine probabilities or responses that are similar across a multitude of vendors competing for the same contract. Para 0022.
- Detail [0026]: Decision-maker is an individual assigned by the buying-organization to participate in the analysis and/or evaluation of the vendor responses, as a participant on the evaluation committee, and a contributor to the buying organizations' vendor decision.
- Detail: [0029]: Edit phase is the phase wherein the decision-makers simplify similarities and differences between competing vendors by combining (combination effect), segregating (segregation effect), canceling (cancellation effect), or isolating (isolation effect) vendor information. In the edit phase, the buying-organization formulates the complex contract requirements and frames the decision problem.
- Detail [0031]: Evaluation committee is the team of decision-makers of the buying-organization.
- Detail [0034]: "Framing is the application of the value position to the decision problem. The value position is applied by the decision-makers to create the "frame", and the frame may be negative, positive,

or neutral depending upon the buying-organization's value position.

Framing can be applied to the buying organization, the competitor organizations, or the vendor organization.

- Detail [0036]: Initial choice set is the result of the simplification of the competing vendor characteristics, in which the decision-makers frames each vendor. The initial choice set is a target or desired aspiration the buying-organization sets during the edit phase. Thus, the initial choice set becomes the desired solution for the buying-organization.
- Detail [0037]: Isolation effect means to disregard service or product specifications from competing vendors, and focus on the products or services of one particular vendor, thereby isolating the choice to one vendor. Isolation effect is a means of simplifying a choice between two or more vendors by the decision-makers.
- Detail [0053]: The present invention is directed to a method of increasing the win probability of a vendor competing in large, complex contract competitions. As known in the art, a buying-organization formulates complex contract requirements, and submits the requirements to one or more vendors. The vendors thereafter provide responses to the buying-organization. Decision-makers of the buying organization typically restructure the vendor responses into simplified choices during an edit phase (Examiner's note: see 0029 above). The vendor responses may be simplified by combining the probabilities

associated with identical outcomes, sometimes referred to as the combination effect. The decision-makers may also disregard components of the responses that are similar between vendors and focus on distinguishing components of the responses, sometimes referred to as the segregation effect. The decision-makers may also focus on the components of one particular vendor, sometimes referred to as the isolation effect. Components of the responses that are shared by the vendors, or that are substantially identical, may be discarded by the decision-makers, sometimes referred to as the cancellation effect (Examiner's note: see 0021 above). The resulting responses are thereby simplified or coded, and the resulting coded responses define the initial choice set.

The Instant specification is written from the perspective of decision-makers assigning values:

- Detail [0055] Thus, the buying organization examines the competing vendors based on the final choice through application of decision weights. The vendor alternatives are framed as either gains or losses. Such an examination is known in the art, and may include a formal framing process, such as a valuation process using negative and positive points. The decision-makers may assign a value to each of the vendor responses. The vendor with the highest value is then selected. The highest value depends on the framing of the choice set.

It should be understood that other, less formal framing methods may be used by buying organizations. However, most buying organizations will apply some type of framing process wherein vendor alternatives are framed as either gains or losses.

- Detail [0056] The value assigned to a particular vendor may be either increased or decreased if the decision-makers have evaluated that vendor in other complex contract competitions. If so, the initial choice set is posited to be a function of two factors: 1) the decision-makers' prior experience with the vendor; and 2) the similarities between the vendor's prior contract activity and the current contract opportunity.

Vendors

The Instant specification is written from the perspective of Vendors as a company competing to provide the product or services to the buying organization:

- Detail [0018] Awarded vendor means the vendor that is chosen by the buying-organization as the "winner" of the complex contract.
- Detail [0035] Incumbent vendor is a vendor providing services and products to the buying-organization during the competition.
- Detail [0051] Vendor is a company competing to provide the product or services to the buying-organization.

The Instant specification is written from the perspective of a company (i.e. Vendor) assigning values, making determinations, identifying, performing calculations and making comparisons:

- Detail [0062] According to the disclosed method, a vendor first calculates the value position of a buying organization prior to submitting its response, as best shown in FIG. 1. The value position is determined by any changes in wealth of the buying-organization. The change in wealth may be determined by specific factors, such as those enumerated above (i.e. business factors, environmental factors, market changes, technology issues, internal issues, governance issues, and information/operational risks). The factors to be considered may vary depending on the particular industry. Therefore, the factors being considered are first identified at 10. Each factor is then assigned a value at 20 by comparing the factor to the particular industry standard.
- Detail [0063] For example, each factor may be assigned a numerical value based on a defined range, for example a numerical value between 1 and 10. A central reference value, such as 5 in the range of 1-10, indicates neutral behavior in the industry. For example, if the average stock in the paper industry lost 15% of its value, and a buying-organization in the stock industry doubled its value, a numerical value of 8 may be assigned to for this particular factor. If the buying

organization also lost 15% of its stock value, a numerical value of 5 would be assigned for this factor. Each numerical value may be adjusted a predetermined amount depending on the time frame in which the factor occurred. Thus, the timing of the factor must be taken into account to determine its impact on the numerical valuation process at 30. For example, an event (i.e. a particular factor) that occurred more than one year ago, will be adjusted so that its impact on the numerical valuation process is not as great as another event (i.e. another factor) that occurred one week ago. Thus, the factor is determined by two dimensions: 1) a specific change in wealth factor; and 2) the timing of the change in wealth factor being considered.

- Detail [0065] After all of the factors being considered have been assigned values, the numerical values are tallied to provide a total value at 40, as best shown in FIG. 1. This total value is then compared to a predetermined value range at 50, and an assigned value position is thereby determined at 60. A total value that falls within a defined central range indicates a neutral value position. A total value that is less than this central range indicates a negative value position. A total value that is greater than this central range indicates a positive value position. The calculated value position is either neutral, positive, or negative.

- Detail [0069] The process of the present invention is outlined in FIG. 3. A buying organization issues a request for proposal (RFP) at S100. The RFP is received by a vendor and competitors of that vendor at S110. Prior to acting on the RFP, the vendor first calculates the value position of a buying organization at S120. The value position is calculated as described above, and as set forth in the algorithm shown in FIG. 1. The response will be framed differently depending on whether the value position is neutral, or positive or negative. Thus, the response will be the same if the value position is determined to be either positive or negative.
- Detail [0074] After the value positions have been calculated, the vendor then frames its response to match the value position of the buying organization at S150. The vendor should frame the response so that the editing phase is simplified for the buying organization (i.e. the response should be designed so that similarities and differences between the vendor and its competitors are easily deciphered by the buying organization). Following submission of the framed response, the vendor should ensure that all communication with the buying organization is consistent with the buying organization's desired frame (based on the value position of the buying organization).

Computers

The instant specification contains only two paragraphs that tie a computer, display and software to the invention. The drawings lack any reference to computing structures:

- Summary [0009] The present invention provides for a system for calculating a value position of a buying organization requesting responses to a complex contract, the value position of the vendors competing against each other (competitors) for the same contract, and the value position of the vendor organization pursuing the contract. The system includes a computer having a display, and a computer program executable by the computer. The computer program has a plurality of input fields, and instructions for assigning a value to a plurality of factors entered in each of the plurality of input fields. The assigned values are combined to form a total value. The total value is compared to a predetermined value range. A neutral value position is assigned to the buying organization if the total value is within the predetermined value range. A positive value position is assigned to the buying organization if the total value is greater than the predetermined value range. A negative value position is assigned to the buying organization if the total value is less than the predetermined value range. The assigned value position is displayed on the display.

- Summary [0010] A system for calculating a value position of a competitor competing with a vendor for a complex contract comprises a computer having a display and a computer program executable by the computer. The computer program has a plurality of input fields, and the computer program has computer instructions for: providing a change of wealth factor corresponding to each one of said plurality of input fields; assigning a value to each change in wealth factor entered in each of said plurality of input fields; combining each of the assigned values to form a total value; comparing the total value to a predetermined value range; assigning a neutral value position to the competitor if the total value is within the predetermined value range; assigning a positive value position to the competitor if the total value is greater than the predetermined value range; assigning a negative value position to the competitor if the total value is less than the predetermined value range; and displaying the assigned value position on the display.

Findings

Individuals or persons making buying decisions rely on mental steps for assessing factors, choosing values and ranges and making comparisons.

A vendor (i.e. company competing for a contract) frames its responses to a buying organization based on the vendor assessing factors, choosing values and ranges and making comparisons. The Examiner interprets the

term "vendor" in the Applicant's context as comprising an individual or individuals working for the vendor.

The computer with display and computer instructions at most performs simple tallies or calculations.

Extra Solution Activity

Adding subject matter tying a machine to the method in the preamble and at the end of the claim is considered extra solution activity.

Examiner's Conclusions

The outcome of the claimed invention is dependent on mental steps of individuals assessing factors, choosing values and ranges, and making comparisons. After all of the factors being considered have been assigned values by the vendor, the numerical values are tallied to provide a total value. The vendor frames its proposal based on the tally. The computer with display and computer instructions at most performs the tallies/calculations.

Applicant's remarks address regarding the 101 rejection of Non-Statutory Subject Matter address the claim amendment at a surface level. Applicant's remarks fail to offer an affirmative defense based on specific disclosures from the instant specification that would shed light beyond mere field of use.

The Examiner is suggesting Applicant's patent counsel schedule a telephone interview for further discussion prior to responding to this office action.

Claim Rejections - 35 USC § 101

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1-6, 8, 10-14, 16 and 17 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent and recent Federal Circuit decisions, a process that consists of a series of steps or acts to be performed must i) be tied to another statutory class (such as a particular apparatus) or ii) transform underlying subject matter (such as an article or materials) to a different state or thing. If neither of these requirements is met by the claim, the method is not a patent eligible process under 35 USC 101. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876); *In re Bilski*, 545 F.3d 943, 88 USPQ2d 1385 (Fed. Cir. 2008).

The claimed invention fails to pass the machine-or-transformation test. In light of *In re Bilski*, method claims must meet a specialized, limited meaning to qualify as a patent-eligible process claim. The present method claims are unpatentable as directed to nonstatutory subject matter under 35 U.S.C. §101 since Applicant's claimed invention i) relies on a mere field of use of computing technology as disclosed by the specification and ii) relies on insignificant extra-

solution activity such as data gathering or outputting by a machine. Please note that insignificant extra solution activity will not transform an unpatentable principle into a patentable process. Correction is required. Please see "Response to Arguments" for clarification.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Porter, Michael; "Competitive Strategy: Techniques for Analyzing Industries and Competitors," The Free Press, 1980; table of contents 4pgs; discloses strategy toward buyers and suppliers, a framework for competitive analysis, structural analysis of industries.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert M. Pond whose telephone number is 571-272-6760. The examiner can normally be reached on 8:30AM-5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Mr. Jeff Smith can be reached on 571-272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Robert M. Pond/
Primary Examiner, Art Unit 3625
February 16, 2010